



**First Source Federal Credit Union**  
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New Hartford, NY 13413  
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## TRUTH-IN-SAVINGS DISCLOSURES

The following disclosures and terms apply to your accounts with the Credit Union. The Rates and/or Fees Schedule also sets out terms of your accounts and is hereby incorporated by reference as if fully set forth herein.

**SHARE DRAFT AND SHARE ACCOUNTS.** The following applies to Share Draft and Share Accounts:

**Rate Information.** Please see our current Rates and/or Fees Schedule for current Annual Percentage Yield (APY), any applicable tiers, and variable rate accounts. The Annual Percentage Yield (APY) reflects the total amount of dividends to be paid on an account based on the dividend rate and frequency of compounding for an annual period. The dividend rate and Annual Percentage Yield (APY) may vary at the Credit Union's Board of Director's discretion, as explained in the Rates and/or Fees Schedule.

**Nature of Dividends.** Dividends are paid on dividend bearing accounts from current income and available earnings, after required transfers to reserves at the end of a dividend period.

**Compounding and Crediting.** Dividends will be compounded and credited monthly. The Dividend Period begins on the first calendar day of the month and ends on the last calendar day of the month. If you close your account before dividends are paid, you will not receive the accrued dividends. We will consider your account closed if the balance reaches zero and you do not bring it up to par value within six (6) months.

### **Minimum Balance Requirements:**

#### ***Share Account***

The minimum balance required to open a Regular Share Account is \$5.00. The par value of one share required to retain Credit Union Membership is currently \$5.00 as determined by the Credit Union's Board of Directors. The minimum balance to earn dividends on your Regular Share, IRA Share or SEP, Kirby Kangaroo and CU Succeed Account is \$.0.01. The minimum balance to earn dividends on your Special Purpose Savings and other similar accounts that we may offer from time to time is \$50.00.

#### ***Money Market Savings Account***

The minimum balance to open and earn dividends on your Money Market Savings Account is \$5000.00. On any day during the dividend period that the balance in your Money Market Savings Account falls below \$5000.00, no dividends will be paid for that day. We may offer other Money Market Savings Accounts from time to time with different minimum balance requirements.

#### ***Money Manager Checking***

The Money Manager Checking account is a non-dividend bearing account available to members between 13 and 18 years of age. There is no minimum balance requirement to open or maintain to avoid monthly maintenance fees.

#### ***Only One Checking***

The Only One Checking account includes options for members to earn dividends and be eligible for a rewards program. Dividends earned are based on several tiers and dividends are earned when the daily balance exceeds \$2,500 at one of four tiers:

- 1) Tier 1 is attained when the daily account balance is between \$2,500 and \$4,999.99,
- 2) Tier 2 is attained when the daily account balance is between \$5,000 and \$7,499.99,
- 3) Tier 3 is attained when the daily account balance is between \$7,500 and \$9,999.99,
- 4) Tier 4 is attained when the daily account balance is \$10,000 or more.

When the **Only One Checking Rewards** program is chosen, a \$5 monthly maintenance fee\* is assessed unless you conduct at least 15 debit card transactions, which include debit purchases or point-of-sale transactions, or maintain an average monthly balance of \$2,500.00 in the account. If you do not opt into the rewards program then there are no maintenance fees or minimum balances required.

\* *There will be no monthly maintenance fee for the first two monthly statement cycles when you first opt into the rewards program.*

**Balance Computation Method.** We use the *Daily Balance Method* to calculate dividends. The *Daily Balance Method* applies a daily periodic rate (dividend rate divided by 365 days) to the balance in the account each day.

**Accrual of Dividends.** Dividends will begin to accrue on the business day that you deposit cash and noncash items (e.g. checks) to your account at any Credit Union branch office.

**Transaction Limits.** For Share Savings and Money Market Savings Accounts, you may make up to six (6) preauthorized, automatic, or telephonic transfers to another account of yours or to a third party during any calendar month. If you repeatedly make more than the maximum permissible number of preauthorized withdrawals or monthly automatic transfers from any Share Savings or Money Market Savings Account on a regular basis, we may require you to transfer your account to a checking account. We may also charge a fee for every preauthorized withdrawal or automatic transfer you make in excess of the maximum permitted and/or we may refuse to honor any transfer or withdrawal that exceeds these limits. There are no limits on the number of withdrawals or transfers from your Share Savings or Money Market Savings Account when made in person, by mail (by a check mailed to you), messenger or automated teller machine (ATM).

**TERM SHARE CERTIFICATES.** The following applies to Term Share Certificates.

**Rate Information.** Please see our current Rates and/or Fees Schedule for current Annual Percentage Yield (APY). The Annual Percentage Yield (APY) reflects the total amount of dividends to be paid on an account based on the dividend rate and frequency of compounding for an annual period. The dividend rate and Annual Percentage Yield (APY) are determined at the time you open your Term Share Certificate, and remain fixed for the term of the account.

**Compounding and Crediting.** Dividends on your Term Share Certificate are compounded and credited monthly and at maturity. You may choose to have the dividends credited to your Term Share Certificate, credited to another account with us or mailed to you in the form of a check. The Annual Percentage Yield on your Term Share Certificate assumes dividends will remain on deposit until maturity. A withdrawal of dividends will reduce earnings.

**Minimum Balance Requirements.** The minimum balance to open a First Source Term Share Certificate is \$1,000.00. The minimum balance to open a Kirby Kangaroo Term Share Certificate or a CU Succeed Term Share Certificate is \$500.00.

**Balance Computation Method.** We use the *Daily Balance Method* to calculate dividends. The *Daily Balance Method* applies a daily periodic rate (dividend rate divided by 365 days) to the balance in the account each day.

**Accrual of Dividends.** Dividends will begin to accrue on the business day that you deposit cash and noncash items (e.g. checks) to your account at any Credit Union branch office.

**Transaction Limitations.** You may not make additional deposits to your Term Share Certificate until maturity.

**Maturity and Renewal.** A maturity date will be established when you open your Term Share Certificate. Please see your Term Share Certificate Receipt, Periodic Account Statement or Renewal Notice for the maturity date. If the maturity date of your Term Share Certificate is a Sunday or Federal holiday, we will pay you dividends on your Term Share Certificate at the previous rate until the first business day after the original maturity date, and that will be deemed to be the new maturity date.

You will be notified in writing before the maturity of your Term Share Certificate. We will mail a maturity notice at least 10 days prior to the maturity date. If you do not instruct us differently, we will automatically renew your Term Share Certificate at maturity by placing the funds, plus any dividends not already paid to you, in a renewal Term Share Certificate of the same type and for the same term as your original deposit (or the closest available type and term), at the Dividend Rate and Annual Percentage Yield offered on the maturity date for your Term Share Certificate of comparable terms and amounts. You may withdraw your funds from your Term Share Certificate without penalty within 10 calendar days after the maturity date, but no dividends will be paid during this period if you do withdraw your funds.

**Early Withdrawal Penalties.** We will impose a penalty if you withdraw any of the principal in your account before the maturity date. The penalty is calculated as a forfeiture of part of the dividends that have been or would have been earned on the account, and applies whether or not the dividends have been earned. The penalty may be

deducted from the principal amount of the deposit. The Annual Percentage Yield disclosed for your account is based on an assumption that dividends will remain in the account until maturity; a withdrawal will reduce earnings. The amount of the penalty is as follows:

**Terms of 3 months -1 year**

All accrued dividends; however penalty will not be less than seven (7) days' dividends nor greater than 30 days' dividends.

**Terms of 2 years - 3 years**

All accrued dividends; however penalty will not be less than seven (7) days' dividends nor greater than 90 days' dividends.

**Terms of 4 years**

All accrued dividends; however penalty will not be less than seven (7) days' dividends nor greater than 180 days' dividends.

**Exceptions to the Early Withdrawal Penalties.** At our option, we may pay the account before maturity without imposing an early withdrawal penalty under the following circumstances:

- (1) When an account owner dies or is determined legally incompetent by a court or other body of competent jurisdiction.
- (2) Where the account is an Individual Retirement Account (IRA) and any portion is paid within seven (7) days after the establishment; or where the account is an IRA and the owner attains age 59 1/2 or becomes disabled.

**Fees and Charges.** We may impose fees, charges, or penalties against your account(s). Please see our Rates and/or Fees Schedule for the types, amounts, and conditions of the fees and charges.

**ALL ACCOUNTS.** The following applies to any account you have with us:

**Written Notice of Withdrawal.** The credit union reserves the right to require a member intending to make a withdrawal from any account (except a checking account) to give written notice of such intent not less than seven days before such withdrawal.

**Nontransferable/Nonnegotiable.** Your account is nontransferable and nonnegotiable.



This credit union is federally insured by the National Credit Union Administration